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Auditor Edelen announces major initiative to shine light on special districts

Builds large, diverse coalition to support undertaking; plans database to give taxpayers more oversight

FRANKFORT, Ky. (June 6, 2012) – Auditor Adam Edelen on Wednesday launched a massive effort to bring greater accountability to the state’s special districts, which levy between \$500 million and \$1.5 billion in taxes and fees from Kentuckians each year.

More than two dozen groups spanning the ideological spectrum have pledged their support of the initiative. The effort is being spearheaded by Cheryl Avioli, a former Republican appointee to the New York State Public Service Commission.

By the end of the year, the project is expected to result in a robust electronic database that will allow taxpayers for the first time to determine how many special districts exist in their county, how much money flows through them and whether they comply with state law.

“I support the important work that special districts such as libraries, fire departments and water and sewer boards do, but if you have ability to take from taxpayers you have to be accountable to them,” Edelen said. “This is a huge layer of government that is operating not just in the shadows, but in the pitch black dark.”

Edelen said recent special examinations into such special districts as the Metropolitan Sewer District in Louisville, Sanitation District No. 1 of Northern Kentucky, Blue Grass Airport in Lexington and Mountain Water District in Pikeville all found one common denominator: a lack of accountability and oversight.

“Rather than treating the symptom and going after one or two of them every few months, I want to demonstrate that Kentucky is still a place where we can solve big problems, where there is such a thing as a big solution,” he said.

There is no central authority in the state to track the number of special districts or how much they collect and spend in taxes and fees. It is estimated that there are between 1,300 and 1,800 – all of which are governed by hundreds of different statutes and local ordinances.

“I think it’s sort of a bold and great move by the state auditor to take this on,” said Richard Beliles, chairman of Common Cause Kentucky, a group that advocates transparency and ethics in state government and has pledged its support of the special districts initiative.

“For progressives, this represents the biggest good government initiative in Kentucky since the ethics reform laws of the 1990s,” Edelen said. “For conservatives, this represents the biggest rein in of government in Kentucky.”

Conservative groups such as the Bluegrass Institute and Club for Growth also have pledged their support of the effort.

“How can taxpayers hold these districts accountable when the basic facts about how they function and how many exist are unknown?” said Logan Morford, vice president of Transparency for the conservative, free-market think tank Bluegrass Institute. “I sincerely hope that this fact-finding mission can help bring these districts into the light.”

Several organizations representing local government entities and elected officials also pledged their support.

“Our special districts provide invaluable resources to communities across the Commonwealth,” said Vince Lang, executive director of the Kentucky County Judge/Executive Association. “The auditor has the ability to uncover unsatisfactory practices and recommend best management policies that will help ensure constituents that their tax dollars are being wisely spent.”

Groups representing cities, counties, libraries, judges-executive, county clerks, sheriffs, magistrates and commissioners, and county attorneys have pledged their support. All 15 of the state’s area development districts also back the initiative.

In addition, Edelen said he is coordinating with a joint interim legislative committee tasked with studying special districts in Kentucky. He said he expects to propose legislation in 2013 to reform the governance and oversight of special districts.

The complete [list of organizations](#) supporting the effort and [Avioli’s bio](#) can be found on the [auditor’s website](#).

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